

FISCAL NOTE

HB 2390 - SB 2369

February 7, 2004

SUMMARY OF BILL: Provides that nursing homes that install sprinklers as a fire suppression system may apply for a credit of 10% against the nursing home bed tax for fiscal years ending on June 30, 2005 and June 30, 2006. Such credit may not exceed the cost of actual expenditures in any fiscal year.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - Exceeds \$100,000

Estimate assumes:

- if all nursing homes choose to begin installation of sprinkler systems and receive the tax credit in FY05, the maximum decrease in state revenues would be \$2,136,000. The current tax is \$2,225 per bed. Nursing homes with approximately 9,600 beds do not have sprinkler systems. Assuming that not all facilities will choose to install a sprinkler system, the loss in revenue would be reduced. The amount cannot be determined but is estimated to exceed \$100,000.
- the bed tax expires on June 30, 2005. Assuming that the tax is extended, the decrease in revenues in FY06 would be approximately the same.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director